



WORKING PAPER

ASSEMBLY — 42ND SESSION

ADMINISTRATIVE COMMISSION

Agenda Item 35: Review of expenditures: Disposition of cash surplus/deficit; and Approval of accounts and examination of audit reports for the financial years 2022, 2023 and 2024

DISPOSITION OF CASH SURPLUS/DEFICIT

(Presented by the Council of ICAO)

EXECUTIVE SUMMARY

Pursuant to Financial Regulations 6.2 and 6.3, this working paper reports to the Assembly on the status of cash position as at 31 December 2024.

A cash deficit of CAD 0.7 million, as detailed in the working paper, indicates that no cash surplus is available for distribution. This deficit is considered temporary and has been eliminated after the payment of assessments in arrears received in early 2025. Therefore, it is not proposed to the Assembly to assess Member States for the deficit as per Financial Regulation 6.3.

Action: The Assembly is invited to:

- a) note the cash position as at 31 December 2024; and
- b) consider that there is no need to assess Member States to finance the deficit.

<i>Strategic Goals:</i>	This working paper relates to Strategic Goals, High Priority and Supporting Enablers.
<i>Financial implications:</i>	None.
<i>References:</i>	Doc 10184, <i>Assembly Resolutions in Force</i> (as of 7 October 2022) Doc 7515/17, <i>The ICAO Financial Regulations</i>

1. INTRODUCTION

1.1 Pursuant to Financial Regulation 6.2 and 6.3, this working paper reports to the Assembly the cash position as at 31 December 2024. The cash deficit in the amount of CAD 0.7 million at the year-end, is considered temporary and has been eliminated after the payment of assessments in arrears received in early 2025. There is no cash surplus available for distribution.

2. CASH POSITION

2.1 Assessed contributions present a legal obligation of Member States. As at 31 December 2024, the cumulative surplus in Net Assets for the General Fund, excluding reserves and the Working Capital Fund, amounted to CAD 31.1 million. This amount is further adjusted for 2024 unutilized appropriations of CAD 4.9 million carried over to 2025 under the authority of the Secretary General¹ and distributed to cover mission-critical and priority activities.

2.2 In accordance with International Public Sector Accounting Standards (IPSAS), assessed contributions are recognized as revenue at the beginning of the year in which they are levied, regardless of whether they have been paid. Therefore, consistent with Financial Regulation 6.2, the cumulative surplus should be further adjusted to account for assessments receivable. As at 31 December 2024, ICAO has outstanding assessments receivable amounting to CAD 27.0 million. The receivable balance is comprised of CAD 16.8 million relating to the 2024 assessments, and CAD 10.2 million reflecting 2023 and prior years' arrears.

2.3 Taking into consideration the above, the cash position as at 31 December 2024 showed a deficit of CAD 0.7 million (2021: deficit of CAD 11.0 million). The status of the cash position for the past three-year period is summarized in the table below:

	<i>in thousands of Canadian dollars</i>		
	2022	2023	2024
Cumulative Surplus *	19 506	23 580	26 249
Less: Assessed contributions receivable from Member States	(25 553)	(13 515)	(26 976)
Cash (Deficit)/Surplus	(6 047)	10 065	(727)

*Cumulative Surplus is adjusted for the year-end unutilized appropriations carried over to the following year under the authority of the Secretary General.

3. CONCLUSION

3.1 The Assembly is invited to note the cash position as at 31 December 2024 and confirm that no assessment of Member States for the deficit is required.

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¹ Financial Regulation 5.6